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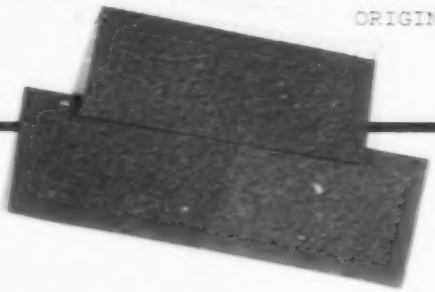

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UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR THE PHILIPPINES (1997-2001)

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INTRODUCTION

1. The first country cooperation framework (CCF) for the Philippines represents the sixth UNDP programming cycle for the country, and serves as the Memorandum of Agreement between the Government of the Philippines and UNDP governing their joint development activities over the period 1997-2001.

2. The first CCF is premised on the promotion of sustainable human development, which is defined as development that is human-centred, equitable and socially and environmentally sustainable. Sustainable human development involves poverty alleviation and sustainable livelihood, protection and regeneration of the environment, and sound governance, integrating therein concerns relating to gender equality. In global conferences of the United Nations system on environment, population, social development, women in development and human settlements sustainable human development has been amplified and given broad support and, in UNDP decision 94/14 (1994), was adopted by the Executive Board as the global mission of UNDP. In addition to sustainable human development, the first CCF will provide catalytic support to policies and programmes of the Government's 1993-1998 Medium-term Philippine Development Plan.

3. The first CCF draws on the results of consultations undertaken by the Government with UNDP and the United Nations system (UNDP advisory note, the country strategy note and United Nations inter-agency task forces appointed to follow up on United Nations global conferences). Account was also taken of the National Anti-Poverty Summit, which resulted in the preparation of the Social Reform Agenda, the national centrepiece programme to address poverty alleviation; the launching of the Philippine Human Development Report in 1996; the mid-term review of the UNDP fifth country programme; approval by the Government and the non-governmental organizations (NGOs) of the Philippine Agenda in 1996; preparations on growth with equity for 1995 and 1996 Consultative Group meetings; a sustainable human development Workshop in 1996; and ongoing preparation of development initiatives for particular areas in the island of Mindanao, under sensitive post-conflict conditions.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

4. Political stability, together with a vast improvement in the state of peace and security, economic structural adjustments and stabilization reforms over the past ten years have brought a period of high-performing growth to the Philippine economy. Gross national product (GNP) has progressed from negative growth in 1985 to a positive growth rate of 0.8 per cent in 1992 and to 5.8 per cent in 1996, and is still rising, driven by stronger exports and investments. Since 1992, inflation has remained at single-digit level. A per capita GNP of US$ 1,085 was achieved in 1995, three years ahead of schedule. With economic growth, poverty declined from 59 per cent in 1961 to 39.9 per cent in 1991 and to 35.8 per cent in 1994. The 1997 Human Development Report indicated an improvement in the Philippine position: with a human development index (HDI) of 98 in 1994, the country had moved up three places from its rank of 95 in 1993.

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5. Despite the country's improved economic performance, major challenges threaten the capacity of the Philippines to sustain human development. The number of poor people was estimated at over 20 million in 1994. Over 47 per cent of the rural population is poor, representing nearly two thirds of the country's poor. In some regions and provinces, poverty incidence has either remained stationary or worsened. The unemployment rate was 9 per cent of labour force in 1996 and has shown no improvement over the last ten years. Many have sought jobs outside the country, giving rise to a growing list of human rights violations. Mounting violence, particularly against migrant women workers, and disconcerting reports on domestic households, prompted the Government to single out violence against women as its primary advocacy at the Fourth World Conference on Women in Beijing.

6. The resurgence of economic growth has led to rapid degradation of the environment. The quality of air and water is deteriorating at disturbing rates, particularly in urban areas. Acute water shortage is anticipated. Pollution from industrial and human wastes, soil run-off, destructive fishing practices, population pressure and uncontrolled tourism have caused serious degradation of coastal zones and depletion of fish stocks and other marine resources.

7. The forests are critically endangered and, in 1994, only 5 million hectares of forest cover remained, compared to 5.6 million in 1989. Should the present annual depletion rate of 100 thousand hectares continue, the country will be devoid of forests by early next century. The disappearance of forests implies also the extinction of biodiversity and loss of soils and water retention capability. The poor are the most affected by deteriorating environmental quality, because they depend greatly on natural resources for livelihood, have no adequate health care and are often the most affected victims of natural disasters caused or aggravated by environmental deterioration.

8. Sound governance, which is necessary to cement socioeconomic gains critical to achieving human development, faces many challenges in the Philippines. National government agencies are undergoing change and reconfiguration of functions as a result of legislation adopted in 1991 under the Local Government Code. Many local government units lack the appropriate structures, management systems, resources, leadership and technical competence to meet the complex requirements of decentralization. The expanding economic role of the private sector, particularly in the context of privatization and globalization, calls for continual examination of the roles of the State. Such examination would include the judiciary, which has increasingly been called upon to decide on matters affecting the economy and to dispense justice more effectively and expeditiously, especially to the poor and the disadvantaged. As the result of recent political developments, meeting the post-conflict needs of resource-rich Mindanao poses a very critical challenge to sustaining stability and progress on the island and in the country as a whole. The current demands on governance, associated with sustaining growth, maintaining peace and managing evolving roles of the civil service at national and local government levels, need to be addressed.

9. Given the above scenario and challenges to national development, it is acknowledged that much could be achieved in increasing the poor's capacity for self-improvement and self-reliance by guaranteeing their access to productive

assets, coupled with livelihood-promoting services. Halting environmental destruction will ensure the well-being of future generations, especially the poor, and sustaining human development. The effectiveness with which these development challenges are addressed will be determined by the quality of decisions and thus by the quality of governance as a whole.

II. RESULTS AND LESSONS OF PAST COOPERATION

10. The fifth UNDP country programme focused on four themes: economic reform and management, technology transfer, poverty alleviation and environmental management. The programme contributed to policy research and advocacy, development of national strategies and plans of action, capacity-building of institutions, consensus-building in meeting commitments to global agreements, and fostering partnerships between Government and NGOs, civil society and the private sector and it demonstrated the successful application of pilot approaches.

11. The implementation of the fifth country programme was marked by difficulties: slow delivery and inadequate monitoring of programmes, characterized by an input-oriented approach rather than one directed towards output and impact. There was also a lack of monitoring mechanisms and benchmarks. Funds were pre-allocated and a lack of flexibility in reprogramming resulted in underutilization, aggravated by long lead-time in programming. Slow delivery was also caused by lack of counterpart resources and overcentralized implementation. The definition of the programme approach barred some stand-alone projects, despite their being supportive to sustainable human development.

12. Recommendations for the first CCF were: a demand-driven approach to programming, based on performance, to achieve greater flexibility and a sense of ownership on the part of implementors, leading to improved counterpart commitments; decentralized execution and implementation, building on broad partnerships with multi-stakeholders; promotion of linkages between programmes; clear definition of the programme approach; and improved monitoring mechanisms and impact evaluation indicators.

III. PROPOSED STRATEGY AND THEMATIC AREAS

13. In cooperating with the Government to address important development challenges, UNDP will support policies and programmes of the Philippines' Medium-term Development Plan that promote sustainable human development. UNDP assistance will be directed to capacity-building for poverty alleviation, protection and regeneration of the environment and the development of sound governance. Mainstreaming gender concerns and reinforcing linkages between these thematic areas will be emphasized in programme development. The Government will be guided by: cross-sectoral and cross-thematic initiatives and participatory approaches that broaden it partnerships with civil society and the private sector; policy development and sensitive development initiatives, e.g., Mindanao, invoking the political neutrality of UNDP; target-group focused, geographic or area-specific approaches; pilot modalities; linkages with UNDP

regional/global and other donor programmes and United Nations agencies; increasing the capacity of the Government to mobilize, coordinate and manage official development assistance (ODA); follow-up to Philippine commitments made at global conferences; and facilitation of relations with regional and interregional organizations.

14. UNDP activities will be governed by the principles outlined in the country strategy note regarding the roles of United Nations agencies. The selection and identification of specific areas of cooperation were undertaken in the light of a comprehensive review of other multilateral and bilateral assistance.

A. Sustainable human development

Poverty alleviation

15. Technical cooperation between the Government and UNDP will focus on national efforts under the Social Reform Agenda, the centrepiece programme to address poverty and the principal vehicle by which the Government will meet its commitments to the United Nations World Summit on Social Development. The Government aims to reduce poverty incidence from 35.8 per cent (1994) to 30 per cent in 1998 and to further reduce incidence in the years that follow. UNDP will specifically target small farmer-cultivators, landless farmers and rural workers, indigenous peoples, and urban poor engaged in marginal enterprises, by providing improved access to resources and livelihood-promoting services. Key result areas are:

(a) Supporting agrarian reform. Policy development and capacity-building, addressing relevant institutions and beneficiaries.

(b) Supporting the development of indigenous peoples. Establishment and enforcement of a legal framework for ancestral domain; development of ancestral domains as sustainable development models; the protection and promotion of indigenous knowledge systems. Activities will be carried out in close collaboration with the International Labour Organization (ILO).

(c) Building capacities for delivering credit and financial services to the poor. Capacity-building of micro-finance institutions/beneficiaries and establishment of a network among them for dialogue, information exchange on best practices, pooling of resources and advocacy; development of models of delivery of financial services, recognizing the significant role of women in household and credit/financial management. Links with UNDP's MicroStart Programme will be pursued.

(d) Developing enterprises, improving working conditions and increasing productivity of urban informal and micro-enterprises. Improvements in working conditions and organization for production; development of common service facilities and strengthening cooperative enterprises for productivity gains. Coordination with ILO will be explored.

(e) Improving coordination and monitoring of poverty alleviation. Policy-making and programme coordination of government institutions implementing the

Social Reform Agenda at all levels; monitoring the impact of poverty programmes, using gender-sensitive indicators, and using these indicators also for monitoring national commitments to the Summit on Social Development and the Fourth World Conference on Women. Initiatives will be linked with the UNDP Poverty Strategies Initiative, and information will be shared with members of the Association of South-East Asian Nations (ASEAN), the Philippine sustainable human development network and United Nations agencies.

B. Protection and regeneration of the environment

16. UNDP will support components of the Philippine Agenda, the country's response to the United Nations Conference on Environment and Development. The Philippine Agenda is action-oriented and uses a people-centred and ecosystems-based approach to protect and regenerate the environment, while ensuring synergy between environmental, social, political and economic considerations. UNDP will give support to environmental and ecological reforms that can be implemented by the national Government and local governments and communities, UNDP will also support institutionalizing approaches and methodologies implied by policy innovations that integrate environment into strategies, at all levels. Key result areas are:

(a) Alleviating poverty by regenerating the environment. Biodiversity and marine environment management, including integrated coastal zone management and biodiversity conservation in island ecosystems, building on demonstration sites of the UNDP Regional Programme on Marine Pollution Prevention and Management; development of small-scale renewable energy systems for rural development, in support of the Climate Change Convention, linking activities to the Regional Project on Asian Cooperation on Energy and Environment and the priority thrusts of the Global Environment Facility (GEF); capacity-building of indigenous peoples on land management of ancestral domain; piloting ecosystem-based approaches in the identification of sustainable livelihood opportunities for poor communities.

(b) Helping industry confront its responsibilities for the environment. Increasing capacity to enforce anti-pollution regulations and the development of toxic and hazardous waste management strategies; public-private sector environmental management through industrial ecology, self-regulation and environmental entrepreneurship; development of ecologically efficient technology for waste re-use and recycling. These initiatives represent follow-up to the Montreal Protocol and will draw on the UNDP Initiative for Sustainable Energy, and the Asia Least-Cost Greenhouse Gas Abatement Strategy (ALGAS).

(c) Extending the responsibility of protecting and regenerating the environment to communities and local governments. Capacity-building of local government units and communities in environmental management, including monitoring the quality of their environment, using sustainability indicators, and integrating the role of women in energy management and application of anti-pollution measures at the household level; national land use planning, water management policy and development of regional and provincial environment and natural resource accounting and budgeting. United Nations Volunteers (UNV) expertise will be explored, particularly for community-organizing.

(d) Educating and sensitizing the nation on sustainable development. Mass media promotion, the greening of school curricula, non-formal education and mass training on the Philippine Agenda at the local level.

(e) Institutionalizing and expanding integrated environmental management in critical areas. Development of a national coastal and marine policy and action plan; upscaling and replication of sustainable development models for local area management for capacity-building at grass-roots level; initiatives will be supportive of and linked to, when appropriate, the relevant efforts of the Asia-Pacific Economic Cooperation (APEC), ASEAN, and HABITAT II, especially regarding sustainable cities, clean technology and clean production, sustainability of the marine environment, and the interrelated issues of food security, energy and the environment.

C. Governance

17. The Government and UNDP will cooperate in building capacities, given the following: the changing roles of the national Government and local governments in the context of decentralization; the changing paradigm of governance, with the fuller participation of civil society and the private sector; privatization and globalization and the increasingly sensitive function of the judiciary with regard to the economics of development; demands for effective justice, particularly to the poor and the disadvantaged. Key result areas are:

(a) Reforming and strengthening regulatory systems. Development of local government unit capacities on regulation of investments, resource coordination, trade facilitation, planning and management; continuing examination of the role of the state vis-à-vis the private sector, and actions necessary to ensure sound governance, particularly in the public regulation of prices and service levels for basic social services (i.e., water, housing and sanitation).

(b) Developing and adapting technology in support of sustainable human development. Strengthening relevant public-private sector partnerships, competencies and organization for the development, adaptation and dissemination of environmentally sound and socially responsible technologies that enhance the productivity of the poor, as well as small-and medium scale enterprises, rural and urban micro-enterprises and other household-based economic units; support for expertise in various technical areas will be sought from Transfer of Knowledge through Expatriate Nationals (TOKTEN), the Philippine Science and Technology Advisory Council Network and United Nations Short-term Advisory Resources (UNISTAR).

(c) Overhauling national government agencies. Development and strengthening of integrated human resource management systems, including the capacities for change management, strategic management, civil service compensation and entitlements, operating systems and procedures that enhance transparency, accountability, and more effective decision-making.

(d) Strengthening the judiciary. Enhance capacities to undertake complicated legal matters, such as economic legislation, occasioned by privatization and globalization, commitments to international agreements and

implementation of economic reforms, including improvements in the legal education curriculum; policy studies on improving court processes and management capacity to improve the efficiency and effectiveness of judicial services, especially to the poor and disadvantaged.

(e) Strengthening local governments, integrating NGOs, civil society and the private sector in local governance and building support institutions. Strengthening of local institutions that support capacity-building for local governance and of local government units on resource mobilization, fiscal management and land-use planning and management; developing local models on project development and implementation with multi-stakeholder cooperative arrangements at community, city and special administrative region level; support to cooperative federations, partnerships and coalitions.

D. Special initiatives for sustainable human development

18. The Government and UNDP will cooperate closely to focus on the following special concerns indicated by the Government as urgent and high on its agenda for achieving sustainable human development. Key result areas are:

(a) Supporting peace and development initiatives in post-conflict areas in Mindanao. In response to the Government's special focus on peace-building and development in Mindanao in the wake of a peace agreement between the Government and a secessionist movement, UNDP will extend special support, with co-financing programmes with other donors, on the following: reintegration of the internally displaced and demobilized combatants and their families; strengthening of structures and government capacity for policy coordination, development planning and management and resource/aid coordination; programme packaging for human resources development; support to civil society efforts to integrate peace and development; and support for Bangsamoro women's efforts to advance women's activities for peace and development in Mindanao. Assistance to Mindanao will also be developed and supported through the core thematic areas of UNDP.

(b) Empowering women. Within the framework of the Philippine Plan for Gender Development, increasing the capacity of the Government and other stakeholders to respond effectively to women who are vulnerable to discrimination, violence, and other forms of human rights violations in line with global and national commitments to the Fourth World Conference on Women and other conventions (e.g., the Committee on the Elimination of Discrimination against Women (CEDAW), in collaboration with ILO and the International Organization for Migration (IOM); more specifically: research, preventive information, education, training, social mobilization, networking and communication programmes; inter-governmental negotiations for the protection of overseas workers; and developing alternative livelihood for returnees.

(c) Strengthening multi-sectoral and community-based responses to human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS). Within the Government's prevention and control of socially transmitted diseases (STDs) and AIDS programme and of its national AIDS strategy and complemented by the UNDP HIV and Development programme and the United Nations UNAIDS programme, raising awareness, protection and promotion of rights of people with HIV and

their families, and strengthening multi-sectoral and community-based responses to HIV/AIDS prevention and care; UNDP will complement the programmes of other United Nations agencies, particularly World Health Organization (WHO), through the UNAIDS mechanism.

(d) Institutionalizing disaster management and preparedness. Develop a nationwide disaster management and training network; strengthening the capacity of local government units for disaster preparedness and management; mitigation of natural disasters, through protection and regeneration of the environment.

(e) Advocating the global mission of UNDP on sustainable human development. The Government will support sustainable human development advocacy, in partnership with UNDP and the United Nations Information Centre (UNIC), through sustainable human development-inspired, UNDP-initiated networks (governance network, human development network), multi-stakeholder consultations and partnerships, mobilization of media support and organization of forums on provocative issues on sustainable human development.

IV. MANAGEMENT ARRANGEMENTS

19. National execution will be adopted, with partnership and dialogue involving NGOs, local government units, people's organizations and the private sector. Execution by NGOs and other partners will be considered on a case-by-case basis, subject to government guidelines governing such arrangements. UNDP will cooperate with the National Execution Support Unit of the National Economic and Development Authority. National execution will be premised on decentralized implementation arrangements and a careful assessment of the management capacities of potential executing agencies.

20. The programme approach will be applied, including catalytic assistance that leads to the development of new public programmes, supportive of sustainable human development. Stand-alone projects, unambiguously supportive of sustainable human development, will not be excluded in programming activities. A bottom-up and demand-driven process will be applied in which stakeholders are involved at an early stage of identification, design, implementation and monitoring.

21. Partnerships with United Nations agencies will maximize cooperation and complementarity, particularly in the preparatory, design and monitoring phases of programming. Synergy and cooperation will be pursued through United Nations inter-agency committees.

22. Preparatory assistance and advance authorization will be utilized and use of Support Services for Policy and Programme Development and Support for Technical Services facilities of UNDP will be extensively explored by the Government.

23. The first CCF will be reviewed annually by UNDP, the National Economic and Development Authority and concerned government agencies, and a triennial review will be undertaken in 1999.

24. Evaluation mechanisms and verifiable indicators to assess the impact of programmes and projects will be vigorously developed, in consultation with stakeholders. Monitoring and evaluation will be rigorous and results-oriented rather than highly input-oriented, and greater emphasis will be placed on verifying outputs, assessing and measuring impact. Gender differentials in programme results will receive particular attention.

25. Cost-sharing and expertise support, from bilateral and multilateral donors, will be pursued. Support will be sought from UNDP specialized funding facilities and also from various non-United Nations sources, such as government bodies, financial institutions, and regional organizations (GEF, Initiative for Sustainable Energy, TOKTEN, UNISTAR, Poverty Strategies Initiatives, bilateral trust funds for Women in Development, Technical Cooperation among Developing Countries (TCDC), UNV, MicroStart, the Montreal Protocol, the World Bank, the Asian Development Bank, ASEAN).

26. The Government will be supportive of the involvement of UNDP and United Nations agencies in the consultative group process, and in joint programming exercises among donors. The commitment made at the 1996 consultative group meeting to operationalize substantive agreements through joint programming exercises should also be noted.

27. The Government and UNDP will aim to mobilize resources during the programming period, as presented in the annex.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR THE PHILIPPINES (1997-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	10 856	
TRAC 1.1.1	12 071	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	1 000	
Other resources		
SPPD/STS	769	
Subtotal	24 696[a]	
NON-CORE FUNDS		
Government cost-sharing	510	
Sustainable development funds GEF Montreal Protocol Capacity 21	10 532 of which: 8 666 1 666 190	
Third-party cost-sharing	2 187	
Funds, trust funds and other WID Trust Fund Other resources	17 810 of which: 150 17 660	 Kennedy Round II Project
Subtotal	31 029	
GRAND TOTAL	55 725[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; MSA = Management Service Agreement; SPPD = support for policy and programme developments; STS = support for technical services; TCDC = Technical Cooperation Among Developing Countries; TRAC = Target for Resource Assignment from the Core; WID = Women in Development.